

**ASSEMBLY BILL**

**No. 1835**

**Introduced by Assembly Members Lieber and Leno**  
(Principal coauthor: Senator Cedillo)

January 10, 2006

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An act to add Section 1182.12 to the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1835, as introduced, Lieber. Minimum wage.

Existing law requires establishment of a minimum wage for all industries of not less than \$5.75 per hour on and after March 1, 1998. Under existing law, the Industrial Welfare Commission is authorized to determine minimum wages in accordance with a prescribed procedure that includes the selection of wage boards to consider and make recommendations regarding wage issues. The current minimum wage for all industries is \$6.75 per hour.

This bill would increase the minimum wage to \$7.25 per hour, effective on and after July 1, 2007, and to \$7.75 per hour, effective on and after July 1, 2008, and would provide for the automatic adjustment of the minimum wage on January 1 of each year thereafter, calculated by multiplying the minimum wage by the previous year's rate of inflation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1182.12 is added to the Labor Code, to  
2     read:

1 1182.12. (a) Notwithstanding any other provision of this  
2 part, on and after July 1, 2007, the minimum wage for all  
3 industries shall be not less than seven dollars and twenty-five  
4 cents (\$7.25) per hour, and on and after July 1, 2008, the  
5 minimum wage for all industries shall be not less than seven  
6 dollars and seventy-five cents (\$7.75) per hour.

7 (b) (1) The minimum wage shall be automatically adjusted  
8 each January 1, beginning January 1, 2009, to maintain employee  
9 purchasing power, which would otherwise be diminished by the  
10 rate of inflation that occurred during the previous year.

11 (2) The minimum wage shall be automatically adjusted by  
12 multiplying the minimum wage in effect on the prior June 30 by  
13 the percentage of inflation that occurred during the previous year,  
14 adding this amount of increase to the wage from the previous  
15 year, and rounding off the product to the nearest five cents  
16 (\$0.05). The Industrial Welfare Commission shall publicize the  
17 automatically adjusted minimum wage, but if it cannot, then the  
18 Department of Industrial Relations shall do so.

19 (c) For purposes of subdivision (b), the following terms have  
20 the following meanings:

21 (1) "Percentage of inflation" means the percentage of inflation  
22 specified in the California Consumer Price Index for All Urban  
23 Consumers, as published by the Department of Industrial  
24 Relations, Division of Labor Statistics and Research, or its  
25 successor index.

26 (2) "Previous year" means the 12-month period that ended on  
27 March 31 of the calendar year prior to the adjustment.

28 (d) This section may not be construed to either preclude an  
29 increase of the minimum wage by the Industrial Welfare  
30 Commission in an amount that is greater than the rate calculated  
31 pursuant to subdivision (b) or permit a reduction in the minimum  
32 wage.